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TAGS: PREL PGOV PTER KWBG QA
SUBJECT: SCENESETTER FOR NEA ASSISTANT SECRETARY WELCH'S
APRIL 1 VISIT TO QATAR

Classified By: Charge d'Affaires Michael A. Ratney,
for reasons 1.4 (b) and (d).

¶1. (C) Ambassador Welch, Embassy Doha welcomes your visit to Qatar. We have requested meetings for you with the Heir Apparent, Sheikh Tamim Bin Hamad Al Thani, who has overall responsibility for security issues in Qatar; Prime Minister and Minister of Foreign Affairs Hamad Bin Jassim Al Thani (HBJ); and Minister of State for Foreign Affairs Ahmed Al-Mahmoud. The CENTCOM Commander and senior military officers routinely meeting with Sheikh Tamim. The last U.S. official to meet with HBJ was Ambassador Crocker, who discussed Iraq-related issues with him October 31. You spoke in February by phone with Al-Mahmoud, encouraging the GOQ's prompt recognition of Kosovo.

¶2. (C) You will want to follow up on Qatar's recognition of Kosovo during your stop in Doha. The MFA's #3 official told Charge recently that Qatar is prepared to recognize Kosovo "at an appropriate time." It was clear from that conversation that Qatar would prefer to recognize Kosovo in concert with other GCC members and that Russian reaction to diplomatic recognition is a GCC concern.

¶3. (C) Your visit occurs on the heels of the Arab League Summit in Damascus, where the Amir's attendance is expected. We recommend that you encourage Qatar to use its influence with Syria to resolve the current presidential election impasse in Lebanon. The Amir justifies his close relationship with Syria by saying Qatar advocates dialogue with everyone under the belief that communication opens doors to the resolution of disputes. We have told the Qataris that Syria is a case where Qatar can use its relationship to bring about a solution for the good of Lebanon and the region.

¶4. (C) Since you are arriving here after a stop in Israel and the Palestinian territories, your interlocutors - who are very concerned about the situation in Gaza - will welcome your assessment of the way forward. You should urge the GOQ to contribute portions of their Palestinian assistance pledges to support a program for affordable housing in the West Bank. This program was identified as a "Quick Impact Project" by Quartet Representative Tony Blair, Israeli Defense Minister Barak and Palestinian Prime Minister Fayyad last November. As part of this effort, OPIC is expected to consider this month a loan proposal of \$325 million to establish a new mortgage facility in the West Bank to finance affordable housing. Charge raised this issue with the MFA's #3 official, who made no commitment but said Qatar would welcome a more detailed briefing in Doha from a U.S. experts. We have also shared the mortgage proposal with HBJ's office and Madeleine Albright raised it with HBJ when she was here in January.

¶5. (C) Ambassador Foley pitched assistance for Iraqi refugees to the MFA March 27. Unfortunately, his

presentation was not at a sufficiently senior level to be helpful due to the absence from Doha of more senior MFA officials. We recommend that you encourage Qatar to help ease the burden for countries, like Syria, hosting large numbers of refugees.

¶6. (S) Finally, should you have a meeting with Sheikh Tamim, we urge you to raise counterterrorism and intelligence cooperation with him, previewing that this will be the principle topic of FBI Director Mueller's upcoming visit on April 9. Qatar's record of sharing intelligence with us is the worst among GCC states, and the Heir Apparent is in a position to make it better. NEA/ARP has provided you separate briefing materials on this subject.

¶7. (C) Below is additional perspective on our overall relationship with Qatar.

A VITAL MILITARY RELATIONSHIP...

¶8. (S) The U.S. has a lot at stake in Qatar. Al-Udeid Air Base and other U.S. military facilities are critical to CENTCOM operations from Iraq to Afghanistan to the Horn of Africa. Qatar hosts approximately 9,000 U.S. forces, some 100 U.S. and Coalition aircraft, as well as the CENTCOM Forward Headquarters, the Combined Air Operations Center, SOCCENT Forward Headquarters, and other important DOD facilities. Qatar is funding hundreds of millions of dollars in construction for the U.S. at Al-Udeid Air Base. Our hosts regularly send military personnel to the U.S. for training, and after years of sourcing their military

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hardware in Europe, are showing increasing interest in buying American, with a major sale of C-17 aircraft first on the list.

... AND A STRATEGIC PARTNER IN ENERGY

¶9. (C) Qatar is exceptionally friendly to U.S. energy companies and appreciates the competence and expertise they bring to the country's economic development. Since 1999, there has been USD 60 billion in foreign investment in Qatar's energy sector with the majority, about USD 40 billion, coming from U.S. firms, including ExxonMobil, ConocoPhillips, Anadarko, and Occidental. Soon, nearly 20 percent of ExxonMobil's global revenue will derive from Qatar. Qatar is also of growing importance to U.S. energy security as this small emirate will next year become a major supplier of LNG to the U.S. following the recent CFIUS approval of \$2.2 billion development by Qatar Petroleum, ExxonMobil and ConocoPhillips of the Golden Pass LNG terminal in southeast Texas. Qatar is now the world's largest LNG exporter and will soon be the U.S.' largest source of imported LNG.

¶10. (U) At over USD 60,000, Qatar's per capita income is already ranked in the top five in the world, alongside Luxembourg and Liechtenstein. Between now and 2012, Qatar's LNG exports will more than double, bringing a corresponding growth to Qatar's economy and global financial clout. That wealth is now driving massive infrastructure investment, including a new airport and USD 12 billion in Boeing aircraft for Qatar Airways. Unfortunately, wild economic growth is also producing 14 percent inflation and feeding a demand for cheap construction labor in a country that already on Tier 3 of the USG's annual Trafficking in Persons report.

COMMITMENT TO EDUCATIONAL REFORM, RULE OF LAW

111. (C) Beyond strong military and energy relationships, there is a lot going right in Qatar's domestic agenda. Qatar's commitment to modernize its educational system is exemplified by Education City, a 2500-acre campus on the outskirts of Doha. Managed by the Qatar Foundation, the umbrella organization chaired by the Amir's wife, Sheikha Mozah, Education City is home to six U.S. university branch campuses (Texas A&M, Carnegie Mellon, Weill-Cornell Medical School, Georgetown School of Foreign Service, Virginia Commonwealth University, with a Northwestern University journalism program opening this fall), with some 800 students currently enrolled. Northwestern University in late 2007 announced its intention to establish a school of journalism. Meanwhile, primary and secondary school curriculum is being reformed along U.S. standards and a network of competitive charter schools is gradually replacing out-moded government-run schools. And rule of law, if not full democratization, is taking root firmly, though slowly.

TROUBLESONE POLITICAL RELATIONSHIP

112. (S) Since the beginning of Operation Iraqi Freedom, the U.S.-Qatar political relationship has soured badly, driven in particular by Qatar's foreign policy initiatives and its maddening behavior on the UN Security Council for the past two years. In addition, bilateral CT and intelligence cooperation - of obviously critical importance in this region - is now the worst of all GCC states. Meanwhile, the senior Qatari leadership appears to have grown jealous of our relationships with regional rivals and annoyed that we don't give Qatar more attention, including senior-level visits and visibility in our own regional initiatives.

113. (S) Our own list of grievances with Qatar is long enough, but at the core are its high-level engagement with Hamas leaders even as we seek to isolate them; support for Syria and its allies in Lebanon as we work to support the democratic majority; serving as a flak for Sudan and Hezbollah during its stint on the UN Security Council; and a failure to follow through on its stated commitment to forgive Iraqi debt.

114. (C) The Amir shares our view that restoration of order and a successful democratic transition in Iraq are of paramount importance not only to Iraq but to the region. While the Qataris have expressed concerns about civil war

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in Iraq, their officials also state publicly that the Coalition needs to stay in the country to establish wider security. However, a strong distaste for Iraq's Shia-dominated government drives Qatar's resistance to follow through on some of our priorities, including comprehensive debt forgiveness. Amb. Crocker urged greater political contact, including a visit by HBJ to Baghdad, during a meeting here last October, but HBJ blamed an Iraqi government that sought to marginalize the Sunnis as the primary obstacle to greater Qatari engagement.

115. (C) Al-Jazeera is by far the region's most prominent media outlet and the bane of many governments in the region, though no longer the irksome centerpiece of U.S.-Qatari relations. The network is nearly 12 years old with an Arabic-speaking audience of some 50 million viewers. In November 2006, it launched an English-language channel with a potential audience of 70 million and ambitions to compete with the major U.S. and British satellite networks worldwide. Since early 2006, the USG has seen a bumpy downward trend in inflammatory anti-Western bias and inaccuracy in Al-Jazeera's content, though biased and inaccurate reporting continues to appear.

¶16. (S) Qatar is often accused (by Jordan, the Palestinian Authority, and others) of funneling money to Hamas, though we have seen little definitive evidence that this is happening. The Qataris have been largely cooperative on counter-terrorist finance issues, apparently anxious to avoid letting their small but growing financial sector be exploited by terrorists. The Qatar Authority for Charitable Works monitors all domestic and international charitable activities and approves international fund transfers by the charities. Qatar has a Financial Information Unit that resides in the Qatar Central Bank and can review suspect accounts. Local banks work with the Central Bank and the FIU on CT finance and anti-money laundering issues, and bank officials attend U.S.-sponsored conferences on these subjects.

¶17. (S) Iran hangs heavily over our relationship with Qatar, which believes we may have plans for Iran, perhaps even military plans, that we are not sharing with them. During its tenure on the UN Security Council, Qatar cast the consensus-breaking (14-1) vote on Resolution 1696 in July 2006. (Qatar later joined consensus in two unanimous votes, UNSCR 1736 and UNSCR 1747, to impose sanctions on Iran's nuclear program.) Qatar does share our concern about Iran's nuclear program and revolutionary ideology, but Qatar's geographic proximity, vulnerability of its energy installations, and the fact that its massive off-shore gas reserves are shared with Iran, dictate a less confrontational approach.

¶18. (C) We believe the Qatari leadership regards our relationship as strategic and permanent, and they see the military bases, energy contracts, and U.S. universities as evidence of this. But at this point, the Qatari leadership have written off the political relationship and are likely waiting out the Administration hoping that bilateral relations improve in 2009.

RATNEY